THE OECD DEFINITION
OF SOCIAL CAPITAL

In 2001, the OECD published a major report on social and human capital entitled „The Well-Being of Nations". This report cited a range of evidence suggesting that "social capital" is of great significance in people´s lives, that it is very relevant to public policy, and an important subject for future study. This was the start of the OECD program "Measuring Social Capital".

The OECD definition of social capital was developed in consultation with an international expert group and published in The Well-Being of Nations:

> Networks together with shared norms, values and understandings that facilitate co-operation within or among groups.

Social networks take two forms – participation in organised groups and participation in more informal networks such as groups of friends. This distinction between these two types of network suggests two of the main dimensions of measurement.
Trust is proposed as the third key dimension of measurement.

One possible classification of the main dimensions and sub-dimensions of social capital for the purposes of measurement would therefore be as follows:

Main Dimensions

Community participation through organised groups
- Participation in organised groups (e.g. religious, political, sporting, cultural or community or special interest groups)
- Voluntary work
- (Classified by type of group, number of groups, time taken and frequency of involvement)

Informal networks
- Provision of unpaid help (e.g. advice, housework, help with shopping) to friends, relatives and neighbours outside the immediate household
- Receipt of unpaid help from persons outside the household
- Other active social involvement with friends, relatives, acquaintances and work colleagues

Trust
- Willingness to trust other people in general
- Willingness to trust specific groups of people, or particular institutions

The form and quality of social interaction
Some social groupings can exclude or oppress those outside the group. One way of addressing this is in a distinction between the "bonding" social capital which cements the mutual loyalties of a group and the "bridging" element which reaches out across social divides to include other social groups.
New forms of social interaction, such as intensive use of mobile phones and email for social purposes are increasingly significant.

Close proxies and consequences

A separate class of factors include those which, while not perhaps part of social capital on a strict definition, are so closely related to social capital, either conceptually or empirically – as to make their measurement a relevant consideration whenever social capital is measured.

Well-Being is important because research has suggested that access to social capital is a very important determinant of well-being.

Formal participation, voting behaviour, taking elected office is closely related to the more political forms of community participation, such as involvement in a pressure group, or politically active neighbourhood group which actively lobbies.

Indicators of the proxies and consequences of social capital

- Well-being
- Formal political participation

The unit of analysis

Social capital in the sense of networks and norms, is in the first instance an attribute of whole social groups, the unit of analysis might therefore be an organisation, or a neighbourhood, or a country.

Measuring based an family, school and work
- Families – particularly immediate families in the same household – provide a key building block for social networks.
- For those in full-time education, activities in schools and colleges will be central to the establishment and development of social networks. Schools can also act as a powerful support for social networks among the adult parents of children who attend those schools.
- Work-based networks include professional contacts, and links with customers, clients and colleagues.

It follows that any assessment of the overall vitality of social networks within a society needs to take proper account of the role of families, schools and workplaces. The strength of social networks in these contexts can be addressed by detailed studies of workplace social relationships. One approach would be to develop separate, more general indicators – such as the number of persons an individual feels "close" to or "relies on for help on a daily basis" – indicators which transcend the different contexts in which such relationships emerge.

Any proposal to harmonise, at an international level, the measurement of social capital might be evaluated according to the following criteria:
- <u>Validity</u>: it would lead to meaningful international comparisons
- <u>Acceptability</u> to a reasonable number of countries
- As much <u>consistency</u> as possible with established national and international sources.
- <u>Adaptability</u> in response to local requirements.
- <u>Simplicity</u> of application.

Annex A: Types of definition

Community participation
- Number of occasions per month in which person participated in organised groups (disaggregated by type of group).
- Time spent participating in organised groups over past month

Informal Networks
- Number of occasions during past month on which unpaid help was provided to persons outside the immediate household.
- Time spent providing unpaid help to persons outside the immediate household.
- Number of occasions per month in which person engages in active social involvement with friends, relatives and acquaintances (apart from immediate household).
- Time spent in active social involvement with friends, relatives and acquaintances (apart from immediate household).

Trust, attitudes and well-being
One general and commonly used question on trust (from the World Values Survey) is:
"Generally speaking would you say that most people can be trusted or that you can´t be too careful in dealing with people?"

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